

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 /065 W

-----031007 100122Z /64

R 091519Z SEP 77

FM AMEMBASSY DAMASCUS

TO SECSTATE WASHDC 4759

INFO AMEMBASSY AMMAN

AMEMBASSY ATHENS

AMEMBASSY LONDON

AMEMBASSY PARIS

LIMITED OFFICIAL USE DAMASCUS 5764

E.O. 11652: N/A

TAGS: EFIN, EAID, ECON, BEXP, SY

SUBJECT: SYRIAN GOVT POLICY REJECTING FOREIGN EXCHANGE LOANS
FROM INTERNATIONAL BANKS

REF: DAMASCUS 5381 (NOTAL)

1. DEPUTY GOVERNOR CENTRAL BANK AQQAD INFORMED ECONOFF THAT SYRIAN GOVT WILL NOT RPT NOT ACCEPT GENERAL PURPOSE FOREIGN EXCHANGE LOANS PRESENTLY BEING OFFERED BY INTERNATIONAL BANKING COMMUNITY DESPITE RELATIVELY ATTRACTIVE TERMS. SYRIAN GOVT HAS RECEIVED NUMEROUS OFFERS VARYING UP TO FOUR HUNDRED MILLION DOLLARS AT GOOD RATES AND HAS REJECTED THEM ALL. GOVT IS PREPARED TO CONSIDER ONLY LOANS ADVANCED AGAINST SPECIFIC PROJECTS WHOSE INTERNAL RATE OF RETURN WOULD JUSTIFY THE LAON TERMS.

2. AQQAD EXPLAINED THAT THE GOVERNMENT IS OPPOSED TO LARGE SCALE LOANS FROM WESTERN BANKS LARGELY BECAUSE OF (A) IDEOLOGICAL GROUNDS AND (B) THE BELIEF THAT SUCH LOANS WOULD HAVE ADVERSE EFFECT ON SYRIA'S REPUTATION. AQQAD ADDED
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THAT THE TECHNICIANS IN THE GOVT ALSO OPPOSE ACCEPTING ANY UNTIED FOREIGN EXCHANGE LOANS BECAUSE OF DIFFICULTIES IN IMPOSING FINANCIAL DISCIPLINE ON GOVT AGENCIES. ONCE THEY BECOME AWARE OF ANY IMPROVEMENT IN SYRIA'S FOREIGN EXCHANGE POSITION THEY ARE CERTAIN TO INSIST ON SPENDING TO THE HILT. (PLEASE HOLD AQQAD'S EXPLANATION CLOSELY.)

3. COMMENT: THE US AND EUROPE APPEAR TO BE FULL OF BANKERS WITH MONEY BURNING HOLES IN THEIR POCKET. IT IS PROBABLY A FACT THAT BANKS WOULD BE RELUCTANT TO MAKE NUMEROUS SMALL LOANS TIED TO PROJECTS RATHER THAN ONE BIG LOAN TO THE STATE BECAUSE OF THE ADMINISTRATIVE COSTS ASSOCIATED WITH SMALLER LOANS.
MRUPHY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN EXCHANGE, LOANS, BANKS, COMMERCIAL BANKS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977DAMASC05764
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770328-0006
Format: TEL
From: DAMASCUS
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770982/aaaacris.tel
Line Count: 69
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e2062c4a-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: 77 DAMASCUS 5381
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1337464
Secure: OPEN
Status: NATIVE
Subject: SYRIAN GOVT POLICY REJECTING FOREIGN EXCHANGE LOANS FROM INTERNATIONAL BANKS
TAGS: EFIN, EAID, ECON, BEXP, SY
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e2062c4a-c288-dd11-92da-001cc4696bcc
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